

2018 State of the City

Mayor Lisa M. Gillmor

City Manager
Deanna J. Santana



Agenda

- Welcome
- Mayor Lisa Gillmor State of the City
- City Manager Deanna Santana Fiscal Outlook & Update on Key Initiatives
- Questions & Answers
- Conclusion



STATE OF THE CITY



Executive Team

- Deanna J. Santana City Manager
- Walter Rossmann Chief Operating Officer
- Ruth Shikada Assistant City Manager
- Nadine Nader Assistant City Manager
- Manuel Pineda Assistant City Manager



Funds of City's Public Entities (\$ millions) – SVP, City, and Stadium Authority

Budget Type	FY 2018/19
Capital Improvement Program (CIP)	\$83.5
Annual Operating Budget	\$859.5
Santa Clara Stadium Authority (SCSA)	\$196.3
Total Funds Administered	\$1,139.3



Fiscal Outlook - Key Components

- 1) Outlook: Understand the Fiscal Future
- 2) Expenditures: Cost Control & Management
- **3) Reserves:** Savings of One-Time Funds for Qualifying Expenditures
- 4) Revenue: Growth, Opportunities, and Strategies



1) Fiscal Outlook

- Understand trend data, make fiscal decisions that are prudent now and in the long term
- Transition to Two-Year Budget, develop longer horizon review of fiscal condition
- Transition from 5 year to 10-Year Financial Plan to help project deficits and surpluses
- Consideration of one-time investments in modern technology to improve efficiencies, transparency, and accountability



2018/19 Proposed Budget: General Fund Resources

Revenue Source	Stable	Trend	% of General Fund
Sales Tax			23%
Property Tax			24%
Transient Occupancy Tax (TOT)			8%
Total			55%

2017/18 Five-Year Financial Plan: \$8.6M Deficit

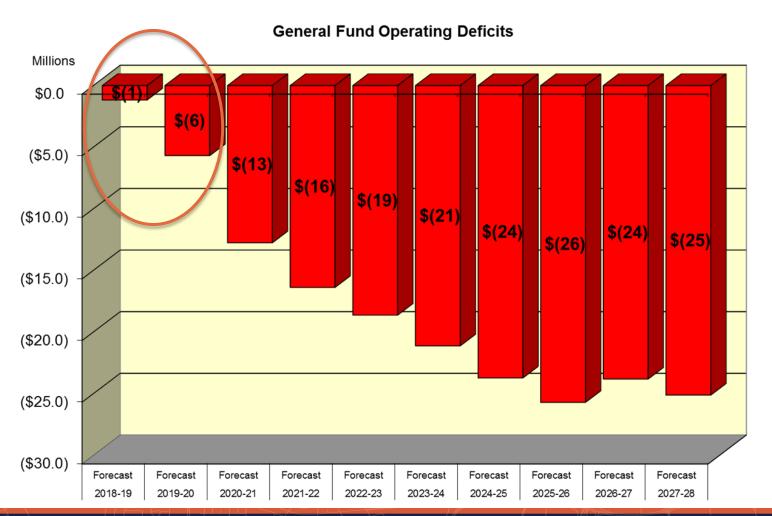
General Fund Operating Surplus/(Deficits)



Updated to include 2016/17
Budget Surplus



Ten-Year Financial Plan: \$1M Deficit



Assumptions include:

- Actual PERS rates for 2018/19
- Includes revised revenue estimates & salary projections that stay within growth rates
- Funding of Working Capital Reserve Fund with one-time sources versus ongoing funds



2) Expenditure Control & Management

- \$8.5m to \$1.0m deficit based on more accurate budgeting
- Position eliminations City Manager, City Council, and Public Works
- Strategic Positions Added Contract Manager, Public Records Coordinator, and Risk Manager
- Four labor agreements within budget, covering a major portion of workforce
- We continue to end fiscal years with savings to invest in Reserves.



3) Reserves/Savings of One-Time Funds

- Contributions to reserves should be made during strong economy
- City made \$63.3M in contributions this Fiscal Year and is poised to make \$13.9M in October 2018, bringing contributions to \$77M in a 12 month period
- Reserves are used/drawn down for:
 - Save/assemble funds for capital projects, technology, etc.
 - Use for unanticipated costs, e.g., grant matches, strategic expenditures, emergency repairs, etc.
 - Use for ongoing expenditures for qualifying events and per Council Policy



3) Reserves/Savings of One-Time Funds

Reserve Type	June 2017 Balance	October 2017 Contribution	Increase/ (Decrease)	Proposed Budget Contribution	Total Reserve Balance
General Fund Budget	Ф БО О	C. O	(\$0.0)	¢4.0	\$50.0
Stabilization General Fund Capital	\$50.0	\$6.0	(\$0.9)	\$4.2	\$59.3
Projects	\$32.8	\$7.0	(\$8.9)	-	\$30.9
Land Sale Reserve	\$39.3	-	(\$10.2)	<u>-</u>	\$29.1
Building Inspection	\$8.4	\$0.4	\$0.9	-	\$9.7
Special Liability	\$0.5	\$5.4	(\$3.5)	\$3.5	\$5.9
Pension Trust	\$5.0	\$10.5	_	-	\$15.5
Electric Rate Stabilization	\$87.0	\$34.0	_	\$6.2	\$127.2
Total	\$223.0	\$63.3	(\$22.6)	\$13.9	\$277.6
*loan receivable of \$10.2M from Park Fees					



4) Revenue Growth/Opportunities

- CityPlace & Other Developments
 - ✓ Property tax
 - ✓ Sales tax
 - ✓ Transient Occupancy Tax (Hotel Tax)
- 2018 November Election TENTATIVE
 - ✓ Cannabis Tax
 - ✓ Infrastructure Bond Measure



City Place





City Place – By the Numbers

- 240 acres/9.2M sq ft Total Project
- 5.4M sq ft Office
- 1.1M sq ft Retail
- 1,680 Residential Units
- 700 Hotel Rooms
- 250k sq ft Food and Beverage
- 190k sq ft Entertainment
- Revenue Impact is Under Evaluation –Sales and Property Tax



Cannibas Tax - Revenue Generation

- ✓ A local cannabis tax measure may generate \$1.2 to \$2.4 million annually.
- ✓ Taxing method is to be determined by the City Council in July



Infrastructure Bond Measure

Recreation	Cost	Notes
ISC/CRC	\$90	Construct new ISC. Upgrade existing CRC with aesthetic improvements. Incorporate new ISC buildings into CRC to maximize space and operations. Any additional funds (such as donations) would be added to project budget for additional amenities.
Parks and Trails	\$50	Develop projects based on sites that are currently considered critical or poor.
Library	\$20	Explore addition to the back area and expand Central library or expand Northside Library - (up to 20,000 SF Addition)

Safety		
Fire Station	\$20	Reconstruct Fire Station 5 (\$10 million) and upgrade (HVAC, roof, plumbing, bathrooms, etc.) fire station 7, 9, and 1 (\$4 million each)
Flood Protection	\$20	Reconstruct 2 year flood pipes and pump stations



Council Policy Priorities

- 1. Deliver and Enhance High Quality Efficient Services and Infrastructure
- 2. Maintain Adequate Staffing Levels
- 3. Promote and Enhance Economic and Housing Development
- 4. Enhance Community Sports and Recreational Assets
- 5. Ensure Compliance with Measure J and Manage Levi's Stadium
- 6. Enhance Community Engagement and Transparency

Deliver and Enhance High Quality Efficient Services and Infrastructure

- **1. Begin Infrastructure Assessment** (including maintenance element, community space and room availability)
- 2. MySantaClara Re-Launch--Enterprise-wide CRM implementation, records management, and e-discovery systems. Transparency of service request and the status of City addressing them.
- 3. Citywide Facility Condition Inventory & Assessments
- 4. Roadway priorities for multimodal improvements

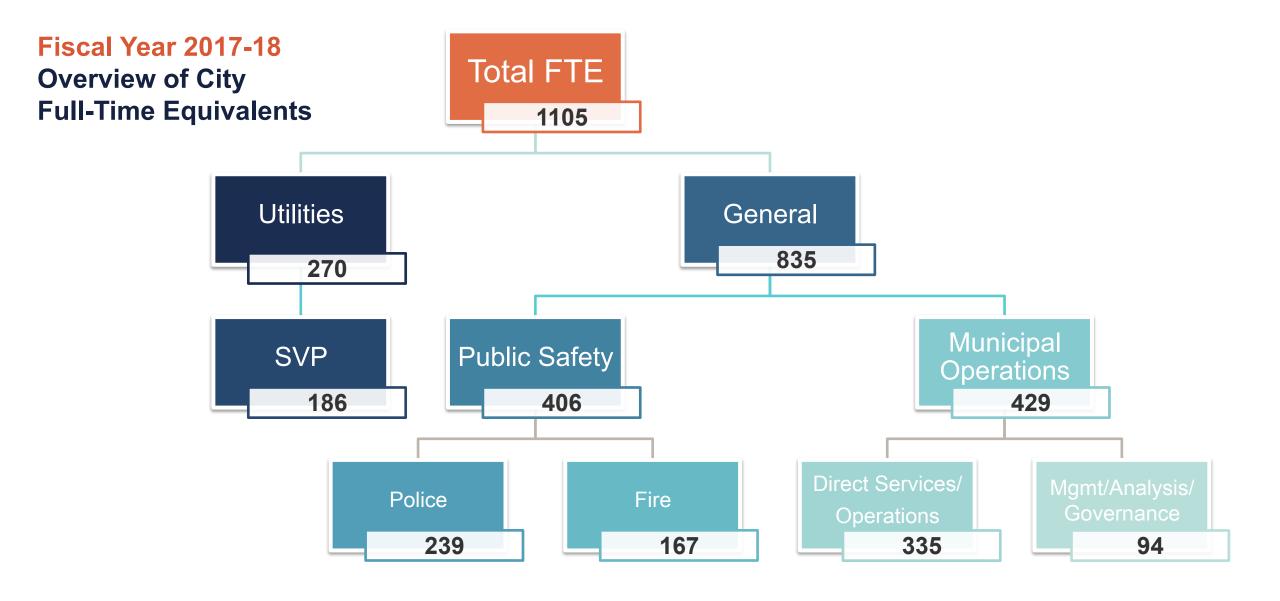






Maintain Adequate Staffing Levels

- 1. City's Portfolio vs. Staffing Levels Needs monitoring, workload is greater than staff capacity
- 2. Deficit Refinement Saved Dozens of Positions (40-50 positions)
- 3. Trajectory, without revenue and expenditure solutions, is on a downward trajectory
- 4. Training and staff development to keep skills sharp and modern



City of Santa Clara

Santa Clara
Stadium Authority

Enhance Economic & Housing Development

- 1. **Specific Plans** for El Camino Real, Lawrence, East Tasman, Patrick Henry and Freedom Circle
- 2. Downtown Revitalization & Precise Plan
- 3. Next phase of Santa Clara Square
- 4. Business relations and small business outreach North Santa Clara —CityPlace, Yahoo! Site,

Cedar Fair, Tasman East







- 5. Affordable Housing Policy, Land, and Funding
- **6. Housing Production** Multiple projects at different stages of development
- 7. Launch General Plan Update & **Robust Community Outreach**





Enhance Community Sports and Recreational Assets

- 1. Broke ground for the new San Tomas and Monroe Neighborhood Park and Community Garden and Funded Reed and Grant Streets Sports Park
- 2. "10 Minute Walk to a Park" National Campaign
- 3. Proposed Infrastructure Parcel Tax Measure would make a significant investment in our recreation facilities, International Swim Center, Library expansion, etc.



Working towards a grant for an inclusive park with Magical Bridge Foundation







Santa Clara Book Mobile



Ensure Compliance with Measure J and Manage Levi's Stadium

- 1. Completed comprehensive audit of Stadium costs and financial reporting.
- 2. Audit--Established foundation for reforms in fiscal reporting, marketing transparency, performance outcomes, and budget development.
- 3. Workspace at Stadium to support administrative work, review, and collaboration
- 4. Set aside \$630,000 for establishing a community room at the Stadium
- 5. Implemented real-time noise monitoring program
- 6. Established telephone number to receive input from residents
- 7. On June 12, presentation on findings of robust community engagement process on impacts of the Stadium
- 8. College Football Game No losses to Stadium Authority or City





Enhance Community Engagement and

Transparency

- Committed to enhanced community engagement— **City Manager Blog!**
- 2. Connecting with residents through website, social media, the City newspaper, etc.
- 3. Transparency in funding local campaigns-**Dark Money Ordinance**
- 4. Community programs:
 - Leadership Santa Clara
 - Neighborhood Watch
 - **Boards & Commissions**

The Newspaper for City of Santa Clara Residents & Business



Voters to consider Council | Central Park Annex election change on June 5

A hallot measure to chanse the way Santa Clara elects members of the City Council will If approved, the City Charter would be amended so that Council members are elected to represent one of two districts. (How to divide the City into two districts will be determined at public hearings in the spring.) Each district will have three Council members and only residents of the district will yote for those Council positions. Currently indidates run for a specific Council seat, which does not represent a geographica district, and are elected by all voters in the City.

The June 5, 2018 Gubernatorial Primary Election is the first step in the t process. If the Charter Amendment measure passes in June, then in the November 2018 election two Council members would be elected to four-year terms for District 1 by residents living in that district. Voters throughout the City will also elect a Mayor for a four-year term in November 2018.

The second phase of the transition would occur in 2020, when voters in District 1 would ct a Council member for a two-year term and voters in District 2 would select three Council members for four-year terms.

To be eligible to vote in the June 5 election, residents must be registered to vote by May 21. Requests to vote by mail ballot must be received by May 29. More information on how to register and request mail ballots can be found on the Santa Clara County Registrar of Voters website, SCCgov.org, and from the Santa Clara City Clerk's Office 1500 Warburton Ave., 408-615-2220 or the website SantaClaraVotes.org.

Ranked Choice Voting in the future

Currently, Santa Clara uses plurality voting, where the candidate who receives the m votes is elected. A new type of voting method - a form of Ranked Choice Voting - could be put in place beginning as early as the 2020 election if the City Charter amendment measure is approved in June 2018. In this method, voters rank candidates on their ballot in order of preference and candidates must receive a certain threshold of voter support to be elected. More detailed information will be provided to voters before the system

All of these election changes were recommended by a Charter Review Co



Fire Department helps fight wildfire

The Santa Clara Fire Department dispatched Engine 9 nd a crew of four firefights to Southern California or ec. 5 to help fight the massive wildfire in Venture Count he team was assigned to structure protection. Explousty winds - clocked at more than 75 mph - fed the fire nat destroyed 150+ homes in one night. Wind-drive fire mbers made for tenuous conditions. At press time, the ire had scorched more than 236,000 acres but was slowly

coming soon

new public park is nearly complete between Kiely Boulevard and Miles Drive. It includes areas with native grasses and crook upland habitat, as well as a new playground, picnic area, grass lawn and rest Promothous Dovolonment will turn over the two-acre park to the City at a public dedication event to be sch



Council goal-setting session in January

Office at (408) 615-2250 or check the City













MySantaClara

- Re-launch of the City's app, MySantaClara
- Customer Relations Management System –
 Service Request Monitoring & Transparency
- Optimization of options and expansion of choices
- Fast, convenient and easy way to connect with City staff





Working Scholars Program

Flexible, no-cost opportunity for working adults to complete a bachelor's degree





Protecting the Environment

- 1. Elimination of coal power as a source of energy
- 2. Food scrap recycling program
- 3. Launch of Climate Action Plan
- 4. Renewable energy program, Santa Clara Green Power, has moved to 100% solar power





What's Ahead?

- 1. Potential Revenue Measures on November Ballot
- 2. City Place Activity beginning in late-2019
- 3. New CAD System for Public Safety & 34 Core IT Projects Underway
- 4. New Website this Summer/Re-Launch of MySantaClara CRM
- 5. On-boarding new Councilmembers in November
- 6. Hosting College Football Playoff Championship
- 7. Precise Plan for Downtown and Community Engagement
- 8. Magical Bridge Playground



THANK YOU FOR ATTENDING!